

March 17, 1997

MEMORANDUM TO: Distribution

FROM: Michael J. Rubino, Associate Director
Acquisition Services Branch

SUBJECT: Policy Memorandum No. 97-004 - Field Office
Approval of Advance Payments to FDIC Contractors

1. Purpose. The purpose of Policy Memorandum No. 97-004 is to clarify the policies and procedures stated in the Acquisition Policy Manual (APM) with regard to approving advance payments of \$50,000 or less at the Field Office level.
2. Reference. (a) APM 8.I.4., *Authorization*, page 8-37
(b) Policy Memorandum No. 97-001, dated February 4, 1997
3. Scope. This Policy Memorandum is applicable to all Contracting Officers and Acquisition Services Branch personnel involved with processing solicitations and in awarding contracts allowing advance payments to FDIC contractors.
4. Background.

The APM establishes policies and procedures for making advance payments to contractors in Section 8.I., page 8-37. In APM 8.I.4., *Authorization*, it states that the Regional Manager may approve advances \$50,000 or less and that the Division Director or designee may approve advances greater than \$50,000, prior to the issuance of the Request for Proposal.

Policy Memorandum No. 97-001, dated February 4, 1997, amended APM 8.I.4. by (1) changing the reference from the "Regional Manager" to "the senior executive in a given Division or Office in the Field" and (2) establishing the approved advance as a not-to-exceed amount that may be replenished as necessary. In addition, Policy Memorandum No. 97-001 amended APM 8.I.7.b., *Advance Payments Deposits*, to ensure that advances are fully documented in all awarded contracts. (See the Policy Memorandum for complete changes).

5. APM Change.

After further review of APM 8.I.4., it has been determined that the senior executive in a Field Office should have the authority to name a designee for the purpose of approving advances. Therefore, in accordance with the foregoing and in conjunction with Policy Memorandum No, 97-001, APM 8.I.4. is changed so that the senior executive or designee in a given Division or Office in the Field has the authority to approve advances \$50,000 or less prior to the issuance of the Request for Proposal. All other policies and procedures stated in the APM remain unchanged and in effect.

6. Effective Date. This Policy Memorandum is effective immediately.

7. Contacts. If you have any questions regarding this Policy Memorandum, please call Dave McDermott on (202) 942-3434.

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